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DEPARTMENT FOR AF/W, AF/EPS FOR JPOTASH

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TAGS: [EFIN](#) [ETRD](#) [PGOV](#) [PREL](#) [SL](#)
SUBJECT: SPOTLIGHT BACK ON THE ECONOMY WITH THE MINISTER OF
FINANCE

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[1](#)B. STATE 65511

Classified By: Ambassador June Carter Perry for Reasons 1.4(b/d)

[1](#)1. (C) SUMMARY: Ambassador Perry and Poloff met with Minister of Finance and International Development David Carew on July 10 to discuss the Government of Sierra Leone's (GoSL) economic and development agenda for the coming months. With the spotlight slowing dimming on the political realm in the wake of the local elections on July 5 and the upcoming recess of Parliament beginning July 15, attention is now being placed back on driving economic growth. The Minister intends to accomplish this through further institution-building, effective use of bilateral and multilateral assistance, and the identification of new opportunities for investment and infrastructure expansion. Ambassador used the meeting to remind Minister Carew of the AGOA Forum in Washington July 14-16, and bring to his attention a diplomatic note related to terrorism financing. END SUMMARY.

CITIZENS' EXPECTATIONS: NOW IS THE TIME FOR GROWTH

[1](#)2. (C) Ambassador expressed her congratulations to Minister Carew regarding the transparent local elections on July 5, and while the Minister is pleased that the day was peaceful, he expressed that Sierra Leone's problems do not center on elections, but rather on how politicians govern the people following their ascension into positions of power. Sierra Leoneans, he said, have many expectations and aspirations, particularly with regards to the country's economic self-sufficiency and prosperity. He stated that citizens are now turning their attention to the issue of growth, and that there is a need to continue building infrastructure, both in terms of physical and human capital, as well as identify opportunities for further revenue-generation, investment, and in-country production.

[1](#)3. (C) The Minister discussed two proposals with the Ambassador, both of which he stated would have a long-term impact on Sierra Leone's economy. He identified one significant challenge for investors is limited access between Lungi International Airport and Freetown. Though modes of transport do exist, such as ferries, helicopters, and hovercrafts, he sees these as a temporary solution to the longer-term problem. Minister Carew cited a 2006 study which identified a road link between Lungi and Freetown that is considerably shorter and less cumbersome than the current overland option. To develop this link, the study indicated \$351 million is required, and the Minister correctly noted that with inflation and rising prices of fuel and other commodities, this estimate is no longer accurate. A permanent investment in infrastructure, according to the Minister, is a long-term investment that will have huge economic impact. He intends to develop a concept paper, with updated cost estimates, and will make an appeal to the USG for support.

14. (C) Minister Carew also noted the increased professionalization of the Republic of Sierra Leone Armed Forces (RSLAF), which received word that they now qualify to be part of multilateral peacekeeping operations. Each battalion, of 850 people must be equipped to international standards, and the Minister estimates the cost of providing equipment for one battalion as approximately \$52 million. Beyond providing invaluable experience to RSLAF soldiers and boosting their morale, participating in peacekeeping operations would also heighten Sierra Leone's international visibility and generate revenue for the RSLAF and GoSL. The Ambassador informed the Minister that she will task the Defense AttachQ's Office with assessing RSLAF needs related to peacekeeping, but cautioned him that if equipment is provided, it may take considerable time before it can be made available. She further stated that the Mission has been very active in supporting the RSLAF in terms of technical assistance, training, and material support. Minister Carew was pleased that the request will be reviewed, and said that he would leave it in the hands of his colleagues in the Ministry of Defense to communicate directly about proposals with the relevant Emboffs.

HIGHLIGHTING CORRUPTION

15. (C) Ambassador congratulated Minister Carew on the International Monetary Fund's recent extension of the Poverty Reduction and Growth Facility (PRGF) arrangement until 2010, which will allow for a disbursement of approximately \$7.2

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million. This brings the total PRGF disbursements since 2006 to \$22.1 million. A key criteria for eligibility for the PRGF is actively combating corruption, and the Ambassador identified this issue as a critical one for enhancing the investment climate. She noted that the draft anti-corruption legislation (reftel A), one that would considerably strengthen the Anti-Corruption Commission (ACC), was recently tabled by Parliament and will not be reviewed again until at least September. The Minister was not aware of this, though not surprised, as even Cabinet-level officials had objected to some of the legislation's provisions. In particular, the transitioning of prosecutorial authority from the Attorney-General to the ACC was of concern, especially if the ACC had a "rogue" individual at the helm. Despite these concerns, Cabinet approved the bill, and he expects that Parliament will do so as well when it is taken up again.

AGOA FORUM AND OPPORTUNITIES

16. (C) Ambassador also noted that anti-corruption efforts are a criteria of AGOA eligibility, and reminded the Minister that an official delegation for the AGOA Forum to be held July 14-16 has yet to be named. The Minister is aware of the forum, noting that a contingent participated in the 2007 event in Ghana, but was unsure who will represent the GoSL. He did state that this is a very important event at which the GoSL should be represented, and would speak with colleagues in the Ministry of Trade and Industry about it. The Ambassador suggested that, given the presence of high-level USG representatives and potential investors, GoSL commitment to strengthening the ACC should be discussed.

TERRORIST FINANCING

17. (C) Though a diplomatic note had already been sent and received by the Ministry of Foreign Affairs, the Ambassador provided Minister Carew with information regarding terrorist financing by a Kuwaiti charity (reftel B). The Minister will

share the information with the Governor the Bank of Sierra Leone, and instruct him to take action accordingly to freeze any assets the named organization might hold in Sierra Leone.

COMMENT

18. (C) Minister Carew's discussion of citizens' expectations and aspirations was apt, particularly in the post-election period. With two major elections completed in less than 12 months time, the focus of the people will now be fully on governance and specific issues of importance, with economic growth and development being chief among them. While the Koroma administration has enjoyed a lengthy honeymoon period since coming to power in 2007, expectations of concrete actions to improve the economy and enhance Sierra Leone's attractiveness to investors will be high. Minister Carew's proposed projects, while potentially revenue-generating and demonstrative of progress for interested investors, are extremely expensive and represent only the tip of the iceberg of what is needed to stimulate growth here. Post will continue to work with the Ministry and other stakeholders to keep important issues like corruption at the forefront of the GoSL's agenda, as well as identify programming opportunities with regards to training and technical assistance that can have an indirect multiplier effect on stimulating the economy. END COMMENT.

PERRY